

Notice of Intent to Certify Sole Source

To: Interested Parties
From: David C. Johnson
CC: ITS Project Number 47394
Date: March 30, 2023
Re: Sole Source Certification Number 4531 to provide mail insertion system licensing, maintenance, and support for the Mississippi Department of Revenue (DOR)
Contact Name: Jasmine Grice
Contact Phone Number: 601-432-8198
Contact E-mail Address: jasmine.grice@its.ms.gov

Sole Source Certification Award Details

Regarding Information Technology Services (ITS) Sole Source Certification Number 4531 for the Mississippi Department of Revenue (DOR), please be advised that ITS intends to award DMT Solutions Global Corporation d/b/a BlueCrest, as the sole source provider of mail insertion system licensing, maintenance, and support through April 14, 2026, in an amount not to exceed \$200,631.00. Please be advised that ITS will determine if additional enhancements, upgrades, support, and equipment are within scope during the certification period and may increase the spending authority accordingly. Should DMT Solutions Global Corporation d/b/a BlueCrest change their name during this certification period, then ITS will determine if a recertification is necessary. For an explanation regarding Mississippi state law, policy and procedures for sole source procurements, refer to Attachment B: Sole Source Procurement Overview.

Sole Source Criteria

1. The product or services being purchased must perform a function for which no other product or source of services exist:

BlueCrest (previously part of Pitney Bowes prior to divestiture) is the only company in North America that is authorized to license, provide maintenance services, and access the source code for the proprietary mail inserter system. The Mississippi Department of Revenue (DOR) has been using the Direct Connect (DC) proprietary operating system to process mail insertion of constituent communications on 8 Series and Rival Series mail insertion systems since 2014. The Pitney Bowes (PB) 8 Series and Rival Series systems have each been retrofitted with a high integrity upgrade, a 2D camera, and DC Verify-Filebase software. The high integrity upgrade allows DOR to add 2D barcodes to documents which can be read by the 2D cameras.

DC Verify functionality on the inserters require the creation of a Mail Run Data File (MRDF) with a specific mail piece record and unique Intelligent Mail Bar Code (IMb) to enable a process to track critical constituent mail from creation to ingestion into the US Postal Service (USPS) network. To provide an electronic audit trail, each “touch point” from print file and MRDF creation, to US Postal Service scanning of the IMb will be facilitated using software to tie each specific constituent mail piece back to the creation and entry into the US Postal Service network and delivery.

2. The purchaser must be able to show specific business objectives that can be met only through the unique product or services:

DOR must be able to track the USPS mail dates on assessments and Review Board letters as required by House Bill (HB) 799 from the 2014 Legislative Session. By purchasing the necessary upgrades to the mail insertion systems, DOR is able to continue compliance with HB 799 and keep the systems up to date on security patches and updates.

3. The product or services must be available only from the manufacturer and not through resellers who could submit competitive pricing for the product or services:

The Rival Inserter ZX0V-0147022, inclusive of embedded software, the BlueCrest Work Station, and BlueCrest Server RD3M-0130120, inclusive of embedded software, and the Output Manager software are each proprietary BlueCrest products. BlueCrest is the only company in North America that is authorized to license and to provide maintenance services for the Products and the only party authorized to access the source code. Further, the warranty on these Products would be voided if any party other than BlueCrest provides maintenance service. The Vendor’s sole source certification letter is included as Attachment A.

4. Explanation of why the amount to be expended for the services is reasonable.

The pricing is in line with other procurements, and the cost of modifying is cheaper than purchasing new systems. The cost of installation services also includes testing and training.

5. Explanation of what the agency did to obtain the best possible price for these services.

The price was set to a flat fee, not an hourly rate.

Schedule

Task	Date
First Advertisement Date	03/30/23
Second Advertisement Date	04/04/23
Response Deadline From Objectors	04/13/23 at 3:00 P.M. Central Time
Notice of Award/No Award Posted	Not before 04/14/23

Project Details

In December 2013, DOR issued Invitation for Bid (IFB) Number 2014-01 through the Mississippi Department of Finance and Administration (DFA) for mail processing equipment and the award was made to Pitney Bowes, Inc. During the 2014 Legislative Session, HB 799 was passed that required DOR to track the USPS mail dates on assessments and Review Board letters. In March

2015, DOR requested from ITS and received a sole source certification using the then current sole source procurement process to purchase the Pitney Bowes hardware and software needed to meet compliance with HB 799.

In May 2018, ITS issued Notice of Intent to Certify Sole Source Number 4092 for the purchase of software licenses, software subscriptions, and software and hardware maintenance for three years from Pitney Bowes Inc. and Pitney Bowes Software Inc. to be able to continue tracking the USPS mail dates as required, and in June 2018, executed Amendment #1 for the contract renewal through April 14, 2021.

In July 2018, Pitney Bowes completed its sale of Document Messaging Technologies (DMT) production mail and support software business and DMT is now doing business as BlueCrest.

In April 2020, ITS issued Notice of Intent to Certify Sole Source Number 4270 for mail insertion system upgrades and support for three years. In June 2020, ITS executed a Maintenance Agreement to transfer equipment and software to BlueCrest from Pitney Bowes and provide upgrades, support, and maintenance through April 2023. In April 2021, ITS executed Amendment #1 for an additional software license.

Submission Instructions and Format of Response from Objecting Parties

Interested parties who have reason to believe that the mail insertion system licensing, maintenance, and support should not be certified as a sole source should provide information in the following format for the state to use in determining whether or not to proceed with awarding the Sole Source contract to DMT Solutions Global Corporation d/b/a BlueCrest.

1.1 Interested Party Information

1.1.1 Contact Name, Phone Number and email address

1.1.2 Company Website URL, if applicable

1.2 Objection to Sole Source Certification

1.2.1 Interested parties must present specific objections to the Sole Source certification using the criteria listed above.

1.2.2 A statement regarding the Interested Party's capabilities as related to this Sole Source Certification Request.

1.3 Comments will be accepted at any time prior to Tuesday, April 13, 2023, at 3:00 p.m. (Central Time) to Jasmine Grice at jasmine.grice@its.ms.gov or at the Mississippi Department of Information Technology Services, 3771 Eastwood Drive, Jackson, Mississippi 39211. Responses may be delivered by hand, via regular mail, overnight delivery, e-mail or by fax. Fax number is (601) 713-6380. ITS WILL NOT BE RESPONSIBLE FOR DELAYS IN THE DELIVERY OF RESPONSES. It is solely the responsibility of the Interested Parties that responses reach ITS on time. Interested Parties may contact Jasmine Grice to verify the receipt of their Responses. Responses received after the deadline will be rejected.

1.4 Interested Party responses should include the following information:

**SUBMITTED IN RESPONSE TO
Sole Source Certification No. 4531-47394
Accepted until April 13, 2023 @ 3:00 p.m.,
ATTENTION: Jasmine Grice**

If you have any questions concerning the information above or if we can be of further assistance, please contact Jasmine Grice at 601-432-8198 or via email at jasmine.grice@its.ms.gov.

Attachment A: Vendor Correspondence

Attachment B: Sole Source Procurement Overview



BlueCrest
37 Executive Dr
Danbury, CT 06810

March 29, 2023

State of Mississippi
Department of Revenue
Clinton, MS 39056
Attention: Jasmine Grice

Dear Ms. Grice,

DMT Solutions Global Corporation, a Delaware corporation doing business as BlueCrest ("BlueCrest"), would first like to thank you for the opportunity and privilege of allowing us to continue serving and support the State of Mississippi.

The purpose of our letter is to confirm that (i) the Rival Inserter ZX0V-0147022, inclusive of embedded software, (ii) the BlueCrest Work Station and BlueCrest Server RD3M-0130120, inclusive of embedded software, and (iii) the Output Manager software are each BlueCrest sole source products (each, a "Sole Source Product", and, collectively, the "Sole Source Products").

BlueCrest is the only company in North America that is authorized to license and to provide maintenance services to DGS for the Sole Source Products and the only party authorized to access the source code of the Sole Source Products. Further, the warranty on a Sole Source Product is voided if any party other than BlueCrest provides maintenance service on such Sole Source Product.

Sincerely,

A handwritten signature in black ink that reads 'Tim Rodriguez'. The signature is written in a cursive style with a large, stylized 'T' and 'R'.

Tim Rodriguez
Vice President, Global Services BlueCrest

Attachment B

The acquisition of information technology for all state agencies and institutions of higher learning (IHLs) is within the scope of the ITS law, found in Mississippi Code Section 25-53-1, et seq., and the policies and procedures established in accordance with this statute, found in the ITS Procurement Handbook posted on the ITS website (www.its.ms.gov).

ITS enabling legislation requires that information technology hardware, software and services be acquired in a manner that insures the maximum of competition among all manufacturers and suppliers of such equipment and services. Accordingly, ITS promotes full and open competition through the issuance of open specifications and the objective evaluation of Interested Party proposals to determine the lowest and best offering to meet an agency's or public university's business requirements. True competition protects the integrity and credibility of purchasing in the public sector and is essential in providing best value and adequate contractual protection for the purchasing entity. In certain limited situations, information technology acquisitions may be sole-sourced.

ITS utilizes the provisions of Public Purchasing Law for Sole Source and Emergency procurements of information technology. Mississippi Public Purchasing Law (Mississippi Code Section 31-7-13) specifies that noncompetitive items available from one source only be exempted from bid requirements (sole-sourced). ITS statute, in Section 25-53-5 (p), permits ITS to utilize provisions in Public Purchasing Law or regulations, when applicable.

Per Public Purchasing law, acquisitions must meet the following criteria to be authorized as sole source:

1. The product or services being purchased must perform a function for which no other product or source of services exists,
2. The purchaser must be able to show specific business objectives that can be met only through the unique product or services, AND
3. The product or services must be available only from the manufacturer and NOT through resellers who could submit competitive pricing for the product or services. The vendor's correspondence regarding this criterion for this project is included as Attachment A.

By policy as documented in the ITS Procurement Handbook, acquisitions of IT services must include the following information to be authorized as sole source:

1. An explanation about why the amount to be expended is reasonable, and
2. An explanation regarding the efforts by the purchaser to obtain the best possible price.

For state agencies, approval of all technology purchases with a lifecycle cost of \$5,000 or less, including sole source purchases, has been delegated to the agency. The ITS Procurement Limits Policies for Agencies (a section in the ITS Procurement Handbook) require a minimum of two competitive written bids or proposals for technology purchases with a lifecycle cost over \$5,000 but not over \$50,000 (not over \$25,000 for projects funded by the American Recovery and Reinvestment Act). Since, for single source items, the procuring agency will be unable to obtain two written bids, ITS must certify all sole source acquisitions of information technology with a lifecycle cost greater than \$5,000.

Institutions of Higher Learning (IHLs) or public universities have been delegated the authority to certify sole source procurements up to \$250,000 lifecycle cost under the ITS Procurement Limits Policies for IHLs (a section in the ITS Procurement Handbook). For the certification of sole source procurements delegated to the CIOs at public universities, the public university must follow ITS' Sole Source Procedure, including advertisement of the intent to award as sole source. Institutions certifying a sole source purchase must ensure the criteria listed above are met and documented in writing by the institution and the Interested Party prior to certifying a product or service as sole source. Sole source documentation must be reviewed and approved by the IHL's CIO for any sole-source certification

above \$5,000. All sole source documentation should be retained in the public university's procurement file. Sole source requests above \$250,000 lifecycle cost require ITS approval.

Other than the delegations outlined above, all sole source technology procurements must be certified by ITS.

ITS thoroughly reviews Sole Source Certification Requests, determining if competing products and/or services exist. If so, ITS conducts a competitive procurement. If ITS' review confirms the sole source, then a Sole Source advertisement is issued, giving other Interested Parties an opportunity to identify competing products and/or services. Based upon the results of the Sole Source advertisement, ITS will either certify the request as a sole source or conduct a competitive procurement.